Representative David L. Hogue proposes the following substitute bill:

1	USE OF CREDIT RELATED INSTRUMENTS
2	2003 GENERAL SESSION
3	STATE OF UTAH
4	Sponsor: David L. Hogue
5	This act modifies the Insurance Code to eliminate certain exemptions relating to the use
6	of credit information in connection with motor vehicle insurance.
7	This act affects sections of Utah Code Annotated 1953 as follows:
8	AMENDS:
9	31A-22-320, as enacted by Chapter 221, Laws of Utah 2002
10	Be it enacted by the Legislature of the state of Utah:
11	Section 1. Section 31A-22-320 is amended to read:
12	31A-22-320. Use of credit information.
13	(1) For purposes of this section:
14	(a) "Credit information" means:
15	(i) a consumer report;
16	(ii) a credit score;
17	(iii) any information obtained by the insurer from a consumer report;
18	(iv) any part of a consumer report; or
19	(v) any part of a credit score.
20	(b) (i) Except as provided in Subsection (1)(b)(ii), "consumer report" is as defined in
21	15 U.S.C. 1681a.
22	(ii) "Consumer report" does not include:
23	(A) a motor vehicle record obtained from a state or an agency of a state; or
24	(B) any information regarding an applicant's or insured's insurance claim history.
25	(a) (i) "Cradit scare" moons a numerical value or a categorization that is:



26	(A) derived from information in a consumer report;
27	(B) derived from a statistical tool or modeling system; and
28	(C) developed to predict the likelihood of:
29	(I) future insurance claims behavior; or
30	(II) credit behavior.
31	(ii) "Credit score" includes:
32	(A) a risk predictor; or
33	(B) a risk score.
34	(iii) A numerical value or a categorization described in Subsection (1)(c)(i) is a credit
35	score if it is developed to predict the behavior described in Subsection $(1)(c)(i)(C)$ regardless of
36	whether it is developed to predict other factors in addition to predicting the behavior described
37	in Subsection $(1)(c)(i)(C)$.
38	(d) "Motor vehicle related insurance policy" means:
39	(i) a motor vehicle liability policy;
40	(ii) a policy that contains uninsured motorist coverage;
41	(iii) a policy that contains underinsured motorist coverage;
42	(iv) a policy that contains property damage coverage under this part; or
43	(v) a policy that contains personal injury coverage under this part.
44	(2) An insurer that issues a motor vehicle related insurance policy[: (a) except as
45	provided in Subsection (2)(b),] may not use credit information for the purpose of determining
46	for the motor vehicle related insurance policy:
47	[(i)] (a) renewal;
48	[(ii)] <u>(b)</u> nonrenewal;
49	[(iii)] <u>(c)</u> termination;
50	[(iv)] (<u>d)</u> eligibility;
51	[(v)] <u>(e)</u> underwriting; or
52	[(vi)] <u>(f)</u> rating[; and].
53	[(b) notwithstanding Subsection (2)(a), may use credit information for the purpose of:]
54	[(i) if risk related factors other than credit information are considered, determining
55	initial underwriting; or]
56	[(ii) providing to an insured:]

57	[(A) a reduction in rates paid by the insured for the motor vehicle related insurance
58	policy; or]
59	[(B) any other discount similar to the reduction in rates described in Subsection
50	(2)(b)(ii)(A).]
51	(3) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
52	commissioner may make rules necessary to enforce this section.